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Agenda item 7

ACTIVITIES OF THE UNITED NATIONS CENTRE ON TRANSNATIONAL CORPORATIONS AND ITS JOINT UNITS

Argentina, Poland, Romania, Russian Federation, United States of America and Uruguay: draft resolution

Activities of the United Nations Centre on Transnational Corporations

Privatization and foreign investment

The Commission on Transnational Corporations,

Recognizing the fact that numerous countries attach growing importance to deregulation, the privatization of enterprises, competition and demonopolization of their economic activities as means to increase economic growth and development,

Stressing the important role that investment - in particular, foreign investment - can play in the processes of privatization in these countries,

Taking into account the difficulties these countries encounter in the processes of privatization, deregulation and demonopolization of their economic activities, inter alia, owing to lack of developed capital markets, managerial skills, adequate infrastructure and means of valuating assets,

Noting the work the United Nations Centre on Transnational Corporations has performed so far in analysing new approaches to the processes of privatization, deregulation and demonopolization of economic activities, such as debt equity swaps,

1. Requests the Secretary-General, in coordination with appropriate international organizations acting in this area, to enhance technical cooperation activities in order to assist interested countries in implementing their privatization, demonopolization and deregulation strategies, through, where appropriate, stronger involvement of the business community, foreign investment and transnational corporations;

2. Invites the Secretary-General to further explore new approaches and case-by-case studies of foreign investment to the privatization and deregulation processes and to the demonopolization of economic activities, including, inter alia, the utilization of debt equity swaps in these processes;

3. Recognizes the need to diversify sources of funding for research and technical cooperation activities and, to that end, invites voluntary contributions to the Trust Fund for the United Nations Centre on Transnational Corporations Technical Cooperation Programme, and requests the Secretary-General to seek to mobilize resources from various sources, including non-governmental organizations, and to report the results to the Commission at its twentieth session.